

Fiscal Estimate for NR428 (continued)

Assumptions Used in Arriving at Fiscal Estimate

However, the combustion optimization and pursuant continuous combustion monitoring is expected to also yield considerable long term fuel efficiency gains in addition to the NOx reductions. Therefore, the initial capital investment for optimization and monitoring equipment is expected to be offset by annual fuel savings into the future. The continuous monitoring of the combustion process over the current level of process monitoring will ensure an incremental fuel efficiency increase.

The initial expenditure for the three MPU boilers affected by combustion optimization is expected to be approximately \$100,000. Including expected fuel savings, this is expected to result in an annualized net savings of \$50,000 per year. The maximum annual cost may range upwards to \$4,700 per year if there are no fuel savings. The one MPU boiler subject to an emission limit is currently operating below this point and has sufficient monitoring and therefore will incur no additional costs. The DOA boiler affected by the combustion optimization is expected to incur an initial capital expenditure of \$20,000 with an expected an annual net savings of \$6,000 due to fuel efficiency gains. As with the MPU boilers, this cost may range upwards to \$1,000 per year if no fuel savings occur from the NOx optimization procedure.

Summary of Fiscal Estimate – NOx Controls at Government-Owned Facilities

Government Source	No. of Affected Units	Total Annual Cost (\$)	\$/ton Reduction
Manitowoc Public Utility	4 Boilers	\$(50,000) up to \$4,700	(500) up to 40
Dept. of Administration	1 Boiler	\$(6,000) up to \$1,000	(2,000) up to 350

Long-Range Fiscal Implications

The MPU and DOA facilities will incur an initial capital investment for combustion optimization and monitoring equipment that are expected to be offset by annual savings into the future. The additional compliance and permitting activities are expected to have an annual one-fifth FTE impacts on current DNR programs into the future. However, the DOA savings are expected to offset DNR program fiscal requirements into the future resulting in no long-range fiscal impacts to the state.